

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7288

BILL NUMBER: HB 1573

NOTE PREPARED: Jan 7, 2011

BILL AMENDED:

SUBJECT: County Government.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *County Executive and Legislative Powers:* The bill provides that after December 31, 2012, in all counties other than Marion County, the county board of commissioners is the county executive and the county council is the county legislative body. It specifies that after December 31, 2012, certain powers currently exercised by a county's board of commissioners shall be exercised by the county council.

County Budgeting Process: It also specifies that, in counties other than Marion County, the budget estimates of each county officer, each court, and all other county departments and agencies shall be submitted to the county executive. The bill provides that the county executive shall review the budget estimates and adopt a consolidated budget estimate for the county that includes budget estimates for all county officers, departments, and agencies. It requires the county auditor to present the consolidated budget estimate for the county to the county fiscal body for adoption.

County Policy and Procedures Manual: The bill provides that the executive of each county (other than Marion County) shall before January 1, 2013, adopt a policy and procedures manual that applies to all county officers, officials, and employees other than judges. It specifies that the county executive shall include in the manual those policy and procedures that the county executive believes are appropriate to guide the actions of county officers, officials, and employees in conducting the business of county government, and it requires that the manual must include a county ethics policy.

Model Ethics Policy: The bill provides that not later than July 1, 2012, the Office of the Attorney General shall develop a model ethics policy to assist county executives in adopting the county ethics policy.

Effective Date: July 1, 2011; January 1, 2012.

Explanation of State Expenditures: *Model Ethics Policy:* The requirement that the Office of Attorney General develop model code should require minimal increase in workload.

Explanation of State Revenues:

Explanation of Local Expenditures: *County Executive and Legislative Powers:* The bill has indeterminate fiscal impact on county government. The bill does not delete or diminish any responsibilities or administrative functions currently assigned in statute to county governments, but rather transfers the responsibilities from the county's board of supervisors to the county council.

If the county fiscal body, which fixes the compensation of officers, increases compensation for county council members that undertake additional responsibilities from the county commissioners, costs could increase. However, if the salary of members of the board of commissioners are decreased, salary costs may remain unchanged.

County Budgeting Process: The bill will have indeterminate fiscal impact on county budgeting. Under current law, each county entity prepares a budget and submits it to the county auditor who advertises the budgets for county taxpayers and presents the budgets to the county fiscal body. Under the bill, the county executive would receive the budget estimates and consolidate them into a single county budget which is then turned over to the county auditor for advertising and submission to the county fiscal body. The process under the bill could reduce the time for deliberations by the county fiscal body and expose duplications of cost. However, consolidation by the county executive would add a step in the budget approval process.

County Policy and Procedures Manual: The requirement to produce a county policy and procedures manual could add one-time costs for the county executive to assemble and develop the required information.

Background: For 67 counties reporting, the median salary for a county commissioner in 2009, was \$20,214, with a salary range from \$4,800 to \$65,294. The median salary for a county council member was \$7,029, with a salary range from \$2,946 to \$42,429.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: *2009 County Factbook*, Association of Indiana Counties.

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